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SECURITY INFORMATION

American Embassy,
Taipei, Formosa,
November 25, 1953.

Dear Bill:

I have your letter of November 19, 1953, regarding what we refer to here as "our favorite subject": the question of Chinese troops in Burma.

You undoubtedly have been too busy to read our lengthy despatch 617 of May 21, 1953, which gave considerable background on the subject. I mention this despatch because I believe that a study of it leads to at least one conclusion: our current effort to evacuate perhaps 2,000 men may alleviate but cannot solve the problem. Of course, I believe that we should do our very best to get out as many men and arms as possible. It should help our position and that of both China and Burma in the U.N. Inevitable loss of face on the part of the Chinese presumably would be compensated for by a corresponding gain for the Burmese. Being the weakest of the three parties, they need it most.

However, we should not expect the case to be considered entirely on its merits, either in the U.N. or elsewhere. It is too complex, the facts are too little understood, and there is no real solution available in any event. No matter how successful our current evacuation efforts may be, we must expect the Communists and others to revive the issue from time to time, if only to make trouble for ourselves and the Chinese.

When I was in Rangoon a year ago last May, I do not recall that anyone even mentioned this matter to me. The Chinese refugees in north and northeast Burma - there are reported to be as many as 50,000 of them, including only a

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The Honorable
William J. Donovan,
American Ambassador,
American Embassy,
Bangkok.

small percentage who ever were regular soldiers and could be dignified by the term "KMT troops" - apparently were living as peacefully as primitive local conditions permitted. Not long afterward, however, trouble flared up once more. Whether this was due primarily to Communist pressure on the Burmese, or to the cutting off of an important source of outside income about that time which forced the Chinese to forage, or to other causes, I cannot say. I believe, however, that the anomalous character of the matter is aptly illustrated in this way.

While the Chinese Foreign Minister and some others here are aware of the international implications, it is perhaps too much to expect the Generalissimo and most of his associates to have an equally broad view. They look upon the truce in Korea as marking the end of the U.N. as an instrument of collective security in any case. They fear, while not openly admitting, that due to influences entirely beyond their control and irrespective of what happens in Burma, it is only a matter of time until Red China finds its way into the U.N. They regard Burma as so unimportant and weak that the Chinese Communists can and will take it in an afternoon, whenever it suits their purposes and whether or not they are "provoked". While the Chinese must disapprove of all such developments for the record, they do not look upon them entirely with dismay. In what they regard as the absence of a positive policy on the part of the United States and the rest of the Free World, the Chinese more and more are counting on the sins and blunders of the Communists to precipitate another war which will force a new deal all around.

Despite the foregoing situation, and despite the unwillingness of the Department to resort to threats, I believe that the Generalissimo has gone along with us on the evacuation project to a degree at least approaching the extent of his actual authority over the men in Burma. Moreover, it has been highly distasteful for him to be forced to admit that he had so limited and uncertain a degree of influence over them. There is no question of his heart being in the withdrawal scheme; he has done as much as he has simply because of unremitting American pressure ever since last February.

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As to your suggestion that Chiang send a representative to Monghsat, there seems to be only one man available who might be able to accomplish something: General Li Mi himself. The trouble is that the Gimo does not dare let him leave Formosa until the current operation is completed. Li Mi came here last March fully expecting that he could persuade Chiang and the Americans to leave his forces in Burma and step up support for them. He is now thoroughly disillusioned and the Gimo fears that he will simply take to the hills with his remaining men if allowed to get back to Burma on any pretext. As you know, the Chinese Government has sent more than one senior officer, including at least one general and an ex-ambassador, to help matters along.

Regarding current disputes over details of arms disposal and the reported turning back of "Chinese-Shans", I fear that the Committee will have to take responsibility on the spot. Of course, I took up the matter of arms with the Chinese authorities as soon as I learned of the difficulties which had arisen. I have repeatedly urged action, most recently in a discussion with the Foreign Minister and the Chief of Staff only last night. But no one here has a clear enough picture of the details, and we at the Embassy have not even seen the annex to the Bangkok Agreement covering the question of arms.

Incidentally, one of the most difficult developments to explain here has been that while the supposedly containment-minded Democratic Administration for some time looked with favor on Li Mi, and subsequently never made a serious effort to obtain the withdrawal of any of his forces, the very first act of the supposedly liberation-minded Republicans with reference to China was to insist upon liquidating the most important anti-communist Chinese fighting force remaining on the mainland of Asia.

I am not defending the viewpoint described in the foregoing paragraphs; obviously it is a very narrow one. But it is important to try to understand the thinking of a Government and people we are by way of assisting to the extent of nearly two billion dollars during the current five years (1951-55). I am sure you will agree that this large sum cannot be expended effectively in the absence of mutual confidence and understanding, and the closest cooperation between

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the Chinese and ourselves. The Burma affair has done more to poison relations between the two countries than anything else since the White Paper. It has created almost continuous controversy within the Chinese Government itself, with a resultant loss of influence by those who supported our position and a generating of suspicion toward us among those who took the opposite view. Even our best friends among the Chinese are unhappy to see their country now publicly labeled as the sole culprit in a situation which appears to have been developed originally as a Third Force scheme without reference to the Government in Taipei. Altogether it has been a most difficult balancing act, which we can only hope that the current evacuation movement will justify.

Personal regards.

Sincerely yours,

K. L. Rankin